

TELECOMMUNICATIONS & INFORMATION TECHNOLOGY ROUNDTABLE REPORT

January 12, 2005

MODERATOR: Thomas E. Santaniello, CompTIA

PANELISTS: Doug Schoenberger, AT&T
Alan Miller, Information Technology Association of America
Eric Schwerin, Oldaker, Biden, & Belair

RAPPORTEUR: Ken Schagrin, Office of the US Trade Representative

The opening remarks by three industry representatives (representing SBC, AT&T, and ITAA) all stressed the importance of full market access commitments in both the telecommunications and computer and related services sector. Further to this goal was the need to be forward-looking and capture new and evolving services in both sectors. In addition, in the telecommunication sector, there was agreement among many participants that a strong, independent regulator, and adherence to the other principals set forth in the WTO Basic Telecommunications Reference Paper is critical.

The representative of ITAA identified some important countries that need to make more significant commitments in the ICT area, notably Brazil, China, Mexico, and India. Various participants noted issues of importance they would like to see clarified or explored during negotiations, which included the extension of commitments to new, Internet-based services; the treatment of electronically delivered products; clarification of where certain services are captured; the overlap between Information Technology and Telecommunications; and some questions about access to government procurement.

Some of the more discreet industry objectives were identified by the representative of AT&T. Those objectives include removing foreign ownership restrictions, strong commitments in the value-added telecommunications sectors, removing certain ownership or control limitations, *e.g.*, requirements to joint venture with a local operator, and, as stated above adherence to key regulator provisions of the Reference Paper in order to make market access effective. The representative urged negotiators to try and avoid esoteric classification issues, as such prolong discussions may be counterproductive.

The discussion provoked by the moderator examined some of the outstanding questions related to market access and barriers that might impede such access. Some concerns were raised that there is a lot written down in existing schedules but that actual implementation was a problem. Another commenter stressed the need to get more commitments and then focus on enforcement. The participants also discussed other issues, that while interesting are still undecided from a domestic point of view, and for which resolution in the WTO is probably best avoided, such as privacy issues, classification of VOIP, broadband coverage. Most concluded that VOIP and broadband services were already captured in existing WTO classification schemes, even if not explicitly stated as such. Everyone commenting agreed that wherever, or however, these services were classified, a light-handed regulatory approach was important and that new and innovative services flourish in a competitive marketplace, not in an overly regulatory one.

In sum, the message was clear. Market access commitments, and effective implementation of these commitments, is critical for the IT sector. Many participants felt that a strong, independent regulator, with enforcement powers is key for making market access effective. Many participants also felt that new and innovative services must be committed to in this round of negotiations, and a competitive environment that creates incentives for investment will help fuel growth in the IT sector.